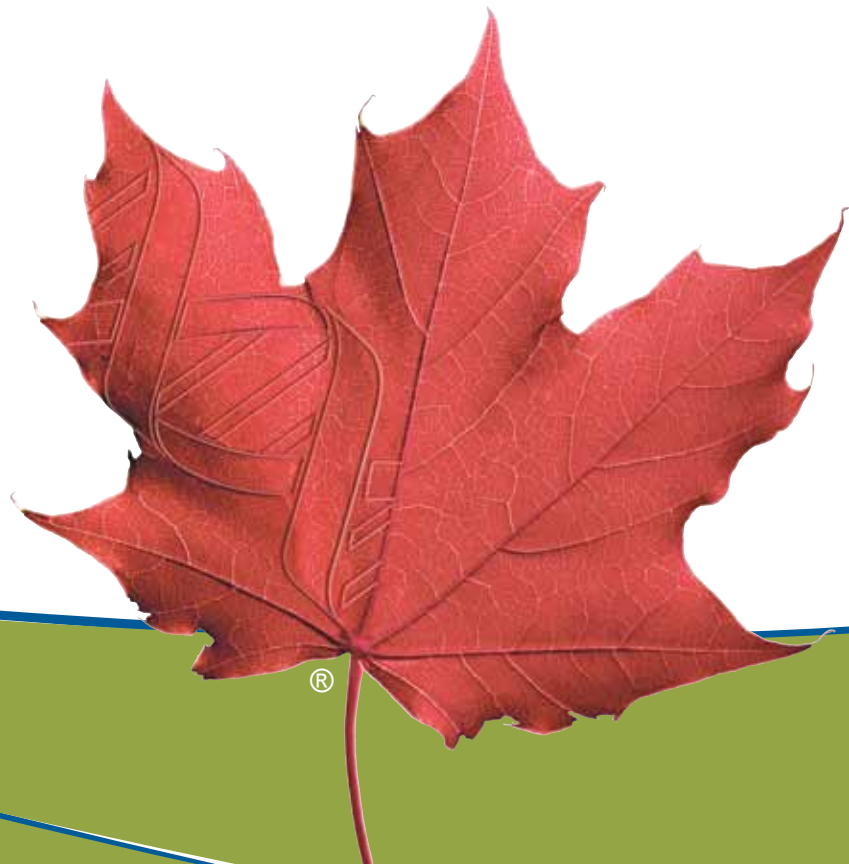




BIOTECanada

Canada's voice for biotechnology

2009 Annual Report



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Bronze



BIOTECANADA 2009 ANNUAL REPORT

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About BIOTECanada – www.biotech.ca

BIOTECanada is dedicated to the sustainable commercial development of biotechnology innovation in Canada. It is the national industry-funded association with over 250 member companies representing the broad spectrum of biotech constituents including emerging and established firms in the health, industrial, and agricultural sectors, as well as academic and research institutions and other related organizations.

Message from the President and CEO



As the industry shifted focus in 2009 due to the economic situation, BIOTECCanada's agenda became busier than ever, actively seeking solutions and positioning the sector for future growth.

Our advocacy work focused on the need to ensure the immediate stimulus package addressed the needs of our sector. By the end of the year, we had broadened understanding of the sector with key audiences, and achieved results: an enlarged lending mandate for EDC and renewed fund commitments with BDC provided new opportunities for Canadian firms.

We also published our long term vision, through The Canadian Blueprint: Beyond Moose and Mountains industry strategy in May 2009.

The strategy served as the catalyst for our leadership at BIO 2009 as we brought together a table of provincial Ministers and representatives with the federal Minister of Industry. The resulting commitment of elected officials to continue to work with us on the strategy guided key initiatives for the year.

In addition to our bio-economy roundtable BIO 2009 again served as a showplace for Canadian technology, with the presentation of our Gold Leaf Awards on the convention exhibit floor. We also improved companies' ability to participate in the Business Forum at BIO 2009, working with Department of Foreign Affairs and International Trade to secure access to the business forum. Members reported realizing tremendous value from this new direct business networking opportunity.

Corporately, BIOTECCanada again enjoyed the support and confidence of the industry, hitting a milestone of 250 members organizations.

Priority policy areas throughout 2009 included market access, Subsequent Entry Biologics and industry financing. National Biotechnology Week saw increased levels of activity from the industry, and policy-makers.

The same agenda is setting the course throughout 2010. Our sector Advisory Boards, which all members are encouraged to join, remain focused on ensuring the Canadian marketplace is open for products of biotechnology, and is a positive environment for growth.

We continue to see recognition from governments about the fundamental issues confronting the biotech sector - from financing, building capacity, protection of intellectual property, and market adoption of biotech products and processes; issues common to all of our members regardless of specialty.

With our members and staff called upon to take part in an increasing array of government consultations, round tables, boards of agencies and directorships, governments recognize and value your association as part of a broad community passionate about building a strong economy for Canada's future.

Through our commitment to excellence, BIOTECCanada has continued to deliver more business opportunities for members; to offer a unique proposition for the diverse interests in Canadian biotechnology, and to situate ourselves as an important voice - on your behalf - for the challenges and opportunities in our future.

We have more to do.

On behalf of the team at BIOTECCanada, we look forward to continuing to get things done for you.

A handwritten signature in black ink, appearing to read 'Peter A. Brenders'.

Peter A Brenders
President & CEO

2009 Association Achievements

- Subsequent Entry Biologics - Led the development of the industry policy platform to protect patients, continued advocacy for a transparent federal regulatory process and established a national outreach program for physicians and patients.
- Orphan Products – Led and supported efforts federally, in Alberta and in Ontario to create a world-class orphan drug policy in Canada
- Novel Crops - Partnered with NSERC and CFIA to develop the research and risk management tools necessary for new industrial and biomass crops.
- Launched *Beyond Moose and Mountains* the national industry strategy showing the value of maintaining and building a bio-economy in Canada. Calculated the bio-economy to be valued at 6.4 % of Canada's GDP, a contribution larger than that of auto.
- Vaccine Industry Committee – Produced 7 papers in the innovative, “Building on the Legacy of Vaccines in Canada” white paper series; developed a dialogue process for cold chain management issues with provinces; advocated for sustainable funding for novel vaccines; appointed to the Organizing Committee for the 2010 Canadian Immunization Conference.
- Appointed to the Scientific Expert Group (SEG), to provide scientific advice for assessing new organisms subject to the new substances notification regulations (organisms).
- National partner in organising the 2009 World Congress on Industrial Biotechnology and Bioprocessing in Montreal
- Participated in a global working group to protect intellectual property within the UN Climate Change Negotiations
- Significantly increased industry visibility: BIOTECanada interviewed with, and was featured in 54 media stories reaching over 14 million media consumers in Canada.
- Insights signed an agreement for distribution and presence as the exclusive Canadian media partner at the BIO 2010 Convention. New editorial board created to assist in finding contributors, setting themes and identifying topics of industry interest.
- Initiated two biotechnology caucuses, drawing on the Top 75 biotech ridings. The Conservative caucus is headed by Rick Dykstra (St Catherine's) and the Liberal caucus by Siobhan Coady (St John's Mount Pearl). The caucuses provide a venue for ongoing dialogue with the industry.
- National Biotechnology Week 2009 Highlights: National Launch had over 250 participants, and keynote speakers were Adam Bly, Canadian CEO of Seed Magazine and Ontario Minister of Research and Innovation, John Milloy in one of his first appearances as Minister in this portfolio. Visibility of the technology grew as over 14 million Canadians learned about biotech via media coverage of the week alone.
- PMPRB: With BIOTECanada's voice and leadership, the PMPRB enacted new guidelines protecting compassionate and patient support programs.
- Led on increasing the CDR's transparency, by actively supporting the institution of a formal mechanism for interacting and consulting with patients.

BIOTECanada Board of Directors 2009 – 2010

Chair

Brad Thompson, President & CEO,
Oncolytics Biotech Inc.

Vice Chair

Peter Matthewman, President & CEO,
Performance Plants

Treasurer

René Douville, Director
RBC Capital Markets

Member at Large

Murray McLaughlin, President & CEO,
Sustainable Chemistry Alliance

Secretary

Peter Brenders, President & CEO
BIOTECanada

Thomas Bailey, CFO,
Angiotech Pharmaceuticals Inc.

Alain Beaudet, President,
Canadian Institute of Health Research

Randal Chase, President & CEO,
ImmunoVaccine Inc.

Jane Clark, National Leader,
Life Sciences Industry Group,
Gowling Lafleur Henderson LLP

John Helou, General Manager, Specialty Care,
Pfizer Canada

Vince Lamanna, President,
Novo Nordisk Canada

John Langstaff, President & CEO,
Cangene Corporation

Brian Lewis, General Manager,
Genzyme Canada

Ross MacLachlan, President & CEO,
Lignol Energy Corporation

Luc Mainville, President & CEO,
LAB Research Inc.

Gordon McCauley, President & CEO,
Allon Therapeutics, Inc.

Ronnie Miller, President & CEO,
Hoffmann-La Roche Limited

Yves Rosconi, President & CEO,
Theratechnologies Inc.

Andrew Sheldon, President & CEO,
Medicago Inc.

Jim Wispinski, President & CEO,
Dow AgroSciences Canada Inc.

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BIOTECCanada Mission and Membership

OUR MISSION

BIOTECCanada is dedicated to the sustainable commercial development of biotechnology in Canada.

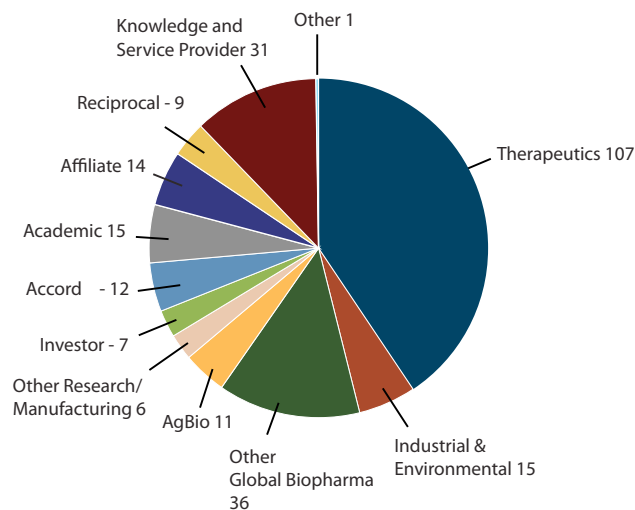
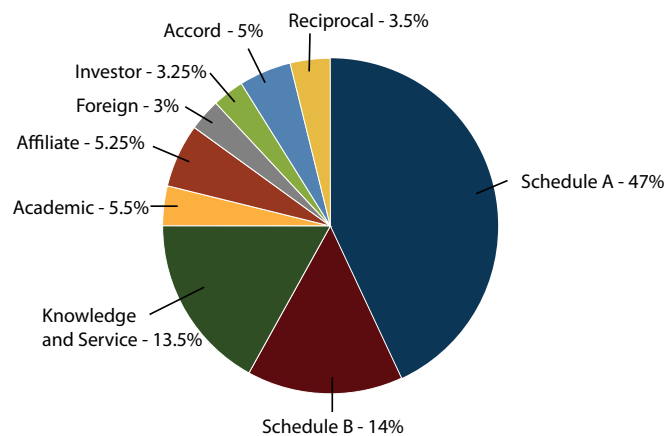
BIOTECCanada is the national association representing the broad spectrum of biotech constituents including emerging and established companies in the health, agricultural, and industrial sectors, as well as academic and research institutions and other organizations dedicated to the long term and sustainable development of biotechnology, its practices and products.

BIOTECCanada is a not-for-profit, non-government, industry-funded association. Drawn from a variety of industry sectors, the research community, academia and regional associations, BIOTECCanada membership represents approximately 85% of the Canadian biotechnology community including leading Canadian corporate entities, which, together with our medium and smaller business membership are developing this transformative technology.

OUR GOAL

Inspire our domestic and international community to recognize the value of biotechnology in Canada and provide solutions to the challenges our constituents face

2009 Membership Distribution



Gold Leaf Awards

BIOTECanada's annual Gold Leaf awards recognize and celebrate companies and individuals that made significant contributions to Canadian biotechnology industry. This year's program received positive media attention and industry interest with more than 60 nominations to the five award categories. The awards were formally presented at BIO 2009 in Atlanta, Georgia before an audience of Canadian and international delegates.



Biotechnology Company of the Year Arius Research

Early Stage Company of the Year – Industrial & Agriculture Zymeworks

Early Stage Company of the Year – Health Medicago

Industry Leadership Award Natalie Dakers, CDRD

Contribution to the Association Lesia Babiak, Chair, Health Advisory Board



L to R: Andy Sheldon, Medicago, David Young, Arius Research, Dan Pereira, Arius Research, Lesia Babiak, Ali Tehrani, Zymeworks, Natalie Dakers CDRD, Peter Brenders, BIOTECanada

2009 National Biotechnology Week



The industry came out in full force to celebrate National Biotechnology Week from September 18 to 25 2009. Following a successful launch to over 250 business leaders in London Ontario, the Week featured sold-out events across Canada, with new and innovative events encouraging networking and collaboration, engaging our federal and provincial government partners, and involving the next generation of scientists in hands-on learning and activities.



MPs Rick Dykstra and Siobhan Coady accept "Biotech rocks!" lab coats as chairs of the inaugural conservative and liberal biotech caucuses from Peter Brenders (L) and Peter Matthewman, President and CEO, Performance Plants International (R).

In addition to a National Advocacy Day and a reception in Ottawa that drew over 250 participants, BIOTECCanada worked closely with our partners in Manitoba, Quebec and Ontario to organise events featuring the industry and government leaders. Manitoba's Ministerial Roundtables brought the industry together with Ministers Rondeau and Wowchuk for productive discussions about the future of the industry.

In Quebec, BIOTECCanada's first ever agricultural symposium profiled the technologies of 8 member firms working in key growth areas. The symposium was held in conjunction with Université Laval, with the support of CropLife and CBI.

In Toronto, BIOTECCanada, in partnership with MaRS was pleased to present a panel featuring government and business leaders during the inaugural Business of Biotech at MaRS in Toronto. The provocative discussion engaged the crowd of over 150 participants with an analysis of new models of financing and cooperation, and what each of the parties could do to make these models successful going forward.

Overall, results from the week indicate over 2 million Canadians were reached via media coverage, and thousands of students and Canadians attended events.

As is customary at the launch, BIOTECCanada released the results of our annual polling of Canadians attitudes to biotechnology. Despite a difficult economic climate, Canadians showed overwhelming levels for support for biotechnology research, development and federal government support to this sector.

Highlights include:

- Nine of every ten Canadians (91%) believe biotechnology is important to Canada's future economic prosperity.
- And 4 of every 5 (84 %) would be concerned about the loss of emerging Canadian biotechnology firms.
- 3 out of 4 Canadians (68 %) were concerned about Canada's global competitiveness in science and technology.
- Almost nine of every ten Canadians (86%) supported grants to emerging companies to support research and product development.
- 4 out of 10 (35 %) believed the Government of Canada is doing a good job of supporting emerging companies seeking to commercialize products.

National Biotechnology Week 2009 was made possible by the generous support of:



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Annual Financial Statements

PricewaterhouseCoopers LLP audited the statement of financial position for BIOTECanada for the year ending December 31, 2009. The following financial information is an excerpt from their document to provide an overview of the association's financial position as of December 31, 2009 and do not reflect the full audited statement.

Statement of Financial Position As at December 31, 2009

| | 2009 | 2008 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Assets | | |
| Current Assets | | |
| Cash | 308,151 | 2,625 |
| Short-term Investments | 999,928 | 1,081,797 |
| Accounts receivable | 209,757 | 248,045 |
| Prepaid expenses | <u>34,582</u> | <u>38,767</u> |
| | 1,552,418 | 1,371,234 |
| Investments | 716,963 | 706,950 |
| Capital assets | <u>43,074</u> | <u>73,318</u> |
| | <u>2,312,455</u> | <u>2,151,502</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 242,437 | 152,727 |
| Deferred revenue | <u>808,739</u> | <u>757,248</u> |
| | <u>1,051,176</u> | <u>909,975</u> |
| Net assets | | |
| Unrestricted | 1,218,205 | 1,168,209 |
| Invested in capital assets | <u>43,074</u> | <u>73,318</u> |
| | <u>1,261,279</u> | <u>1,241,527</u> |
| | <u>2,312,455</u> | <u>2,151,502</u> |

Members may access the full Audited Financial Statement from PricewaterhouseCoopers in the members' area of the BIOTECanada website. www.biotech.ca

Annual Financial Statements

PricewaterhouseCoopers LLP audited the statement of financial position for BIOTECanada for the year ending December 31, 2009. The following financial information is an excerpt from their document to provide an overview of the association's operations for the year ended December 31, 2009 and do not reflect the full audited statement.

Statement of Operations For the year ended December 31, 2009

| | 2009 | 2008 |
|---------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Revenue | | |
| Membership fees | 1,276,600 | 2,625 |
| Sponsorship | 626,548 | 1,081,797 |
| Non-membership | 776,157 | 248,045 |
| Investment income | <u>40,564</u> | <u>38,767</u> |
| | <u>2,720,229</u> | <u>1,371,234</u> |
| Expense | | |
| Amortization of capital assets | 32,055 | 33,300 |
| Bad debts | 22,505 | 26,884 |
| Consulting fees | 296,802 | 232,998 |
| Marketing and publications | 192,529 | 188,270 |
| Meetings and conferences | 267,648 | 193,186 |
| Office and operating | 317,456 | 304,054 |
| Professional fees | 59,842 | 60,604 |
| Salaries and benefits | 1,290,640 | 1,102,799 |
| Travel and representation | <u>221,000</u> | <u>256,351</u> |
| | <u>2,700,477</u> | <u>2,398,446</u> |
| Net revenue for the year | <u>19,752</u> | <u>1,791</u> |

Members may access the full Audited Financial Statement from PricewaterhouseCoopers in the members' area of the BIOTECanada website. www.biotech.ca

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